



DEPARTMENT OF INSURANCE

STATE OF ARIZONA

Financial Affairs Division - Compliance Section

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SENIOR RESIDENTIAL ENTRANCE FEE CONTRACT PROVIDER COMPLIANCE WITH A.R.S. TITLE 44, CHAPTER 25, ARTICLE 1

A.R.S. Title 44, Chapter 25, Article can be accessed electronically at <http://www.azleg.state.az.us/ArizonaRevisedStatutes.asp>. If you cannot access Arizona Revised Statutes electronically, please utilize your local library or contact the offices of the Arizona Secretary of State for assistance.

Pursuant to A.R.S. § 44-6952(A), a **Provider must register with the Arizona Department of Insurance before** it solicits, enters into or extends the term of a Senior Residential Entrance Fee Contract. **The Department's instruction and registration Form E-SR.REG** is available on the Arizona Department of Insurance web site at <http://www.state.az.us/id>

In addition to the Form E-SR.REG, the Provider must include a copy of its **most recent Audited Financial Report** and a **copy of its Disclosure Statement**. The **Audited Financial Report** must be:

- (a) Prepared by an independent certified public accountant.
- (b) Prepared using the generally accepted accounting principles (GAAP)
- (c) Accompanied by the Auditor's unqualified or qualified opinion letter issued to the Provider.

The **Disclosure Statement**, prescribed in section 44-6954(D)(2), cannot be longer than two printed pages, **must be in plain English and must provide in clear and conspicuous type the following information:**

- (a) The name of the facility.
- (b) The name of the owner of the facility.
- (c) The amount of the entrance fee.
- (d) The portion of the entrance fee that is or may be refundable to the resident and the terms on which the refund is to be made.
- (e) Whether, and by what method, the refundable portion of the entrance fee is insured, guaranteed, secured or otherwise provided for.
- (f) A statement that a person who has complaints about an entrance fee contract may contact the Consumer Fraud Section of the Attorney General's Office.

To maintain a valid registration, each Provider must file its annual Audited Financial Report **within one hundred eighty days** following the conclusion of each fiscal year end with this Department. **The Report must be:**

- (a) Prepared by an independent certified public accountant.
- (b) Prepared using the generally accepted accounting principles (GAAP).
- (c) Accompanied by the Auditor's unqualified or qualified opinion letter issued to the Provider.
- (d) **Attached to** a completed and signed Audited Financial Report Filing **Transmittal Form E-SR.AFR**

A **Provider must also file any amendments to its Disclosure Statement with this Department within 14 days** after making the amendment.

For further assistance with Senior Residential Entrance Fee Contract Provider registration and reporting requirements, please contact Kelly Stephens, Compliance Section Manager at the phone number above.